

SHOP Insurance

The Small Business Health Options Program (SHOP) helps small employers with 1–50 employees offer health insurance, in most states. SHOP offers you and your employees affordable private health and dental coverage.

You can start offering SHOP insurance to your employees any time of year. You don't have to wait for an Open Enrollment Period.

3 things to know about offering SHOP coverage

1. **The SHOP Marketplace offers high-quality plans from private insurance companies.** All SHOP plans offer the same set of essential health benefits, like doctor visits, preventive care, hospitalization, and prescription drugs. There are also limits on the differences in premiums that insurance companies can charge based on age, and restrictions on charging individuals more because of pre-existing conditions.
2. **You have choices and flexibility.** You can:
 - Offer your employees one plan, or let them choose from multiple plans.
 - Offer health coverage, dental coverage, or both.
 - Choose how much you pay toward your employees' premiums and whether to offer coverage to their dependents.
 - Decide the length of your employees' Initial Enrollment Period, and how long new employees must wait before joining the plan.

3. **You may qualify for the Small Business Health Care Tax Credit.** This tax credit can be worth up to 50% of your contribution toward premium costs (up to 35% for tax-exempt employers). Generally, to qualify, you must:

- Have fewer than 25 full-time equivalent employees (FTEs) making an average of about \$56,000 a year or less.
- Pay at least 50% of your FTEs' premium costs.

If you're a small business in an area with no available SHOP plans, visit irs.gov/affordable-care-act/employers/small-business-health-care-tax-credit-and-the-shop-marketplace for information on qualifying for the Small Business Health Care Tax Credit.

To be eligible for SHOP coverage, you must:

- Have a primary business address within the state where you're buying coverage or have an eligible employee with a primary worksite within the state where you're buying coverage.
- Have at least one common-law employee on payroll (not including a business owner or sole proprietor, or their spouse(s) on the payroll) to enroll in coverage. For the definition of a common-law employee, visit irs.gov/businesses/small-businesses-self-employed/employee-common-law-employee.
- Offer coverage to all your full-time employees—those working an average of 30 or more hours per week.
- Employ 50 or fewer full-time equivalent employees (FTEs). For example, 2 half-time employees generally equal 1 FTE. Visit [HealthCare.gov/shop-calculators-fte](https://healthcare.gov/shop-calculators-fte) to quickly calculate how many FTEs you have.

2 easy ways to get answers to your questions

- 1. Agents and brokers:** Agents and brokers can help you apply for and enroll in SHOP coverage. It won't cost you any more to use an agent or broker since their commissions are paid by the insurance company. Visit [LocalHelp.HealthCare.gov](https://localhelp.healthcare.gov) to search for an agent or broker in your area. You can also use the Help On Demand tool to get immediate help from an agent or broker at go.hc.gov/help-on-demand. To learn more about how an agent or broker can help you with SHOP, visit [Marketplace.cms.gov/outreach-and-education/tips-for-employers-working-with-shop-broker.pdf](https://marketplace.cms.gov/outreach-and-education/tips-for-employers-working-with-shop-broker.pdf).
- 2. HealthCare.gov:** Visit [HealthCare.gov/small-businesses/employers](https://healthcare.gov/small-businesses/employers) to learn more about the SHOP program, enrollment, plans, prices, tax credits, and to find help in your area.

Help On Demand is a third-party service that's operated by a Center for Medicare & Medicaid Services contractor and a referral service that provides consumer information directly to a Marketplace-registered insurance agent/broker.

You have the right to get Marketplace information in an accessible format, like large print, Braille, or audio.

You also have the right to file a complaint if you feel you've been discriminated against.

Visit [CMS.gov/about-cms/agency-information/aboutwebsite/cmsnondiscriminationnotice](https://cms.gov/about-cms/agency-information/aboutwebsite/cmsnondiscriminationnotice), or call the Marketplace Call Center at 1-800-318-2596 for more information. TTY users can call 1-855-889-4325.

Health Insurance Marketplace

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